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**IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

FILED
 12/2/20 1:45 pm
 CLERK
 U.S. BANKRUPTCY
 COURT - WDPa

In re:	:	Case No.:	20-22083-GLT
	:	Chapter:	13
Michael B. Shepperd	:		
Patricia A. Shepperd	:		
	:	Date:	12/2/2020
Debtor(s).	:	Time:	10:00

PROCEEDING MEMO

MATTER: #35 Debtor's Objection to Proof of Claim of Veripro Solutions, Inc. (Claim No. 14)
 [Response due: 11/17/20]

Tentative Ruling: The Court is inclined to deny the claim objection without prejudice unless Debtors' counsel can demonstrate how the lien avoidance which occurred in the Debtors' prior chapter 13 bankruptcy survived the case dismissal.

APPEARANCES:

Debtor: Brent Lemon

NOTES: (10:32)

Court: The claim objection states I should disallow the claim because there was a prior case where the lien was found to be "satisfied and discharged." But that was a section 506 determination and case did not reach completion and was dismissed.

Lemon: I'm inclined to withdraw my objection here. I do have a question. In looking at the order that was entered in the adversary, it doesn't have the usual conditional language regarding discharge, for a practical matter - if the Debtors had sought to sell the real estate in the previous case they wouldn't be paying the mortgage, so what would have happened?

Court: Sec. 349 specifies what happens when a case is dismissed before completion. Unless the Court orders otherwise, liens avoided under section 506 are reinstated. What I want to make sure we're clear on is, when I put that section 348/349 stamp on the orders, I'm saying the code applies to this order. But the Code applies to the Order, even if the stamp is not on there. My additional language is technically superfluous and is just for clarity. There is also an issue with timing, this order was recorded when the Debtors' previous case was postured for dismissal. Why was the decision made to record the order when you knew the case was going to be dismissed?

Lemon: I don't know that I was part of that conversation.

Court: Was it Attny Thompson?

Lemon: Yes. It would behoove us to file something with Butler County to clear this up.

Court: Is it a practice of your office to record orders voiding liens right before a case is dismissed?

Lemon: I've never seen it happen before.

Court: I'm going to require you do some research into that. At the time the satisfaction was filed, there could not have been any good faith belief that the lien was not impacted by Sec. 349. I will issue an OTSC against Attny Thompson, because this is not a way to do things.

OUTCOME:

1. Debtor's *Objection to Proof of Claim of Veripro Solutions, Inc. (Claim No. 14)* [Dkt. No. 35] is DENIED as withdrawn for the reasons stated on the record. Nothing in this denial shall be deemed to preclude the Debtor from seeking avoidance of the lien on other grounds. [Text Order to Issue]

2. Order to Show Cause against Attorney Brian Thompson to Issue [Chambers to Issue]

DATED: 12/2/2020